

HOUSE BILL No. 1569

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-3-11.

Synopsis: Income tax credit for property taxes paid. Provides a refundable credit against state adjusted gross income tax for an individual taxpayer if the property taxes paid by the taxpayer during the taxable year exceed an amount equal to 5% of the taxpayer's Indiana adjusted gross income.

Effective: January 1, 1999 (retroactive).

Bodiker, Wolkins

January 21, 1999, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 1569

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3-3-11 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 1999 (RETROACTIVE)]: **Sec. 11. (a) As used in this**
4 **section, "property taxes" means property taxes paid by a taxpayer**
5 **during a taxable year on real property that the taxpayer:**

6 (1) owns; or

7 (2) is buying under a contract requiring the taxpayer to pay
8 the property taxes on the real property.

9 (b) As used in this section, "taxpayer" means an individual
10 taxpayer and, if the individual taxpayer files a joint return, the
11 individual taxpayer's spouse.

12 (c) A taxpayer is entitled to a credit against the adjusted gross
13 income tax imposed by IC 6-3 for the taxable year equal to the
14 amount determined under the following STEPS:

15 STEP ONE: Determine the amount of property taxes paid by
16 the taxpayer during the taxable year.

17 STEP TWO: Multiply the taxpayer's adjusted gross income



for the taxable year by five percent (5%).

STEP THREE: Determine the greater of:

(A) the STEP ONE result minus the STEP TWO result; or

(B) zero (0).

(d) In the case of a husband and wife who pay property taxes during the taxable year and file separate tax returns, the husband and wife may take the credit in equal shares, or one (1) spouse may take the entire credit.

(e) The amount of the credit provided by this section that a taxpayer uses during a particular taxable year may not exceed the sum of the taxes imposed by IC 6-3 for the taxable year after the application of all credits that, under IC 6-3.1-1-2, are to be applied before the credit provided by this chapter. If the credit provided by this chapter exceeds that sum for the taxable year for which the credit is first claimed, then the taxpayer may elect to have the excess:

(1) carried over to succeeding taxable years and used as a credit against the tax otherwise due and payable by the taxpayer under IC 6-3 during those taxable years; or

(2) refunded to the taxpayer.

(f) If the taxpayer elects to have the unused credit carried over to succeeding taxable years under subsection (e)(1), then each time the credit is carried over to a succeeding taxable year, the unused credit is to be reduced by the amount that was used as a credit during the immediately preceding taxable year. The credit provided by this chapter may be carried forward and applied to succeeding taxable years for fifteen (15) taxable years following the unused credit year.

(g) A credit earned by a taxpayer in a particular taxable year shall be applied against the taxpayer's tax liability for that taxable year before any credit carryover is applied against that liability under subsection (e)(1).

(h) A taxpayer claiming a credit under this section must supply to the department reasonable proof, as determined by the department, of the property taxes paid or rent paid by the taxpayer during the taxable year.

SECTION 2. [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]
IC 6-3-3-11, as added by this act, applies to taxable years beginning after December 31, 1998.

SECTION 3. An emergency is declared for this act.

